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| **Unit 1: Appreciation for Marketing** | |
|  | **Learning Objectives:** |
|  | Upon completion of this unit the learner should be able to:   1. Trace the evolution of marketing. 2. Explain the marketing concept 3. Identify the marketing mix |
|  | **Overview of this Unit** |
|  | Marketing affects everyone from kids to seniors.  It's around us all day long. It affects all organizations, all industries and all countries. This unit looks at what marketing is, its evolution through the years and the makeup of marketing. |

1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    A Marketing Expert

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| **A Marketing Expert** |
| Unlike many other business subjects, marketing is something that we are exposed to each and every day - as a result we are marketing experts.  We are bombarded with up to 3000 ads per day. The logos below are also considered part of the advertising.  Logos make products easily recognizable.  https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/logos.jpg |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    Definition of Marketing

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| **Definition of Marketing** |
| Marketing is:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bullet3.gif | A process of planning and doing.... | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bullet3.gif | the Conception (Product), the Pricing, the Promotion and the Distribution (Place).... | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bullet3.gif | of an idea, good or service... | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bullet3.gif | to create and exchange.. | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bullet3.gif | to satisfy individual or organizational objectives. |   Marketing seeks to:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bullet3.gif | discover the needs and wants of perspective customers | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/bullet3.gif | to satisfy those needs and wants |   The key to achieving these two objectives is the idea of exchange, the trade of things of value between buyer and seller so that each is better off after the trade.   |  | | --- | | The new definition of marketing, as released by the [American Marketing Association,](http://www.marketingpower.com/AboutAMA/Pages/DefinitionofMarketing.aspx) in 2007, is: Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (Approved October 2007) | |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    Influences on Marketing

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| **Influences on Marketing** |
| Certain aspects of marketing are controllable: Product, Price, Place and Promotion.  Other aspects of the environment in which marketing occurs must be dealt with, but cannot be changed:   * Social forces * Economic forces * Technological forces * Competitive forces * Regulatory forces   **For Marketing to Occur There Needs to Be:**   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/check.gif | Two or more parties (a buyer and a seller) that have needs that each other can fill. | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/check.gif | A desire and an ability to satisfy these needs. (A market) | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/check.gif | A way to communicate this desire to the other party. | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/check.gif | Something of value to exchange | |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    Finding A Need

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| **Finding A Need** |
| **Consumer Needs and Consumer Wants**  A *need* occurs when a person feels deprived of basic necessities.  A *want* is a need that is shape by a person's knowledge, culture, and individual personality.  Marketing does not create the need for a product, but shapes a person's wants.  New products must satisfy needs and wants without making mistakes or causing "showstoppers" that detract buyers - virucidal tissue, body smarts, etc.  Sometimes satisfying a need proves to be a difficult task.  To narrow in on the needs of a diverse group of potential customers, companies often group people by their needs.  These groups are known as ***Target Markets***  *Target Markets* will respond similarly to a given set of marketing actions. |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    The Marketing Mix - The 4 P's

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| **The Marketing Mix - "The 4 P's"** |
| The 4 P's are the controllable factors that a company/organization can adjust in order to satisfy customer needs.  They include:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/greendiamond.gif | ***The Product*** - The good, service or idea sold | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/greendiamond.gif | ***The Promotion*** - How the product is communicated to the potential buyer | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/greendiamond.gif | ***The Price*** - The rate of exchange | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/greendiamond.gif | ***The Place*** - How the product is distributed to the customer |  |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/link.gif | More on the Marketing Mix  <http://www.quickmba.com/marketing/mix/> | |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    Environmental Influences

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| **Environmental Influences** |
| These are factors external to the company/organization that it has no direct control over.  These factors must be dealt with.  These include:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/1.gif | ***Social Factors:*** aspects of demographic change and cultural change. | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/2.gif | ***Economic Factors:*** people's income and inflation | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/3.gif | ***Technological Factors:*** changes in technology ad the affects of this change | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/4.gif | ***Competitive Factors:*** what competitors are doing | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/5.gif | ***Regulatory Factors:*** government and industry regulation and how it impacts on the business | |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    Eras of Marketing

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| **Eras of Marketing** |
| |  |  | | --- | --- | | ***Production Era - 1800's - 1920'shttps://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/14fordmodelt.jpg***  ***Ford Model T Ad 1914*** | Customers would buy all that was produced because they simply could not buy these newly-invented items before.  The focus in this era was on developing the production process (e.g. assembly lines), not on satisfying customer needs.  Henry Ford's philosophy of "you can have any colour you want, provided it's black" was the prevailing tone of manufacturers.  Customers had little choice but accept this.  ***Coca-Cola Ad 1929*** | | ***Sales Era - 1930's - 1960'shttps://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/feelswell30s.jpg***  ***Alka-Seltzer Ad 1930's*** | During this time, the world went through a depression and a war.  Production capacity was well developed, however, the buying public had less money to buy these new products and competition among specific manufacturers was stiff.  The focus was on the hard sell.  "We've built it, so you better buy it" was the prevailing philosophy.  Again the interests of the customer were secondary compared to the interests of manufacturers.  ***1950's Pepsi Ad*** | | ***Marketing Concept Era - 1960's -1980's***https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/67kfc.jpg  ***KFC Ad 1967*** | The emergence of Japanese competition in the late 60's and 70's and the increased activism of customers who demanded better quality products force manufacturers to finally consider the customer when developing and marketing products.  ***IBM PC Ad 1984*** | | ***Marketing Orientation Era - 1990's - ??https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/97jaguarxk8conv.jpg***  ***Jaguar Ad 1997*** | The advent of computers and massive data gathering allows companies to better determine customer needs. Product lives are shorter and competition is stiff to please the customer and build long-term relationships.  ***Coca Cola Ad 2005*** |   *2005 Ad - Adland.com Other Ads - Adclassix.com* |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    Social Responsibility

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| **Social Responsibility** |
| **The Societal Marketing Concept**  Many large corporations have found that it is good business to be responsible for the society in which they operate.  An organization's marketing decisions should consider the well-being of society as a whole.  Social responsibility is the idea that organizations are part of a larger society and are accountable to society for their actions.  Marketing may be moving toward societal marketing concept, the idea that an organization should discover the needs of its customers while also providing for society's well-being.  Marketing may be viewed on two different levels:   |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/1.gif | ***Micromarketing*** - looks at how the individual corporation markets | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/2.gif | ***Macro marketing*** - looks at the impact of marketing, as a whole, on society |   **Ethics**  Many marketing issues are not specifically addressed by existing laws and regulations.  These issues relate to ethics, which are the moral principles and values that govern the actions and decisions of an individual or group.     |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/link.gif | Read about Candian Marketing  **Code of Ethics**  <http://www.the-cma.org/?WCE=C=47%7CK=225849> | |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    Key Questions of Marketing

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| **Key Questions of Marketing** |
| |  |  | | --- | --- | | ***Who Markets?*** | profit & not-for profit organizations, government and individuals | | ***What is Marketed?*** | goods, services and ideas | | ***Who Buys?*** | individuals and organizations | | ***Who Benefits?*** | consumers who buy, organizations that sell and society as a whole |   **Key Utilities Provided by Marketing**  Marketing creates utility, the value to consumers for using the product.  Four different utilities are created by the organization offering the product that is obtained by the consumer:   |  |  | | --- | --- | | ***Form Utility*** | the actual good or service | | ***Place Utility*** | having the goods and services available *where* consumers want to buy it | | ***Time Utility*** | having the goods/services available *when* the consumer wants to buy it | | ***Possession Utility*** | getting the product into the consumer's hands (e.g. providing financing) |   **Value**  The combination of benefits offered to the customer relative to the price paid.  *Quality - increased customer value* |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    Discussion Posting 1

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| **Unit 1 Study Questions** |
| **MARKETING CONCEPTS AND PERSPECTIVES**     1. What consumer wants (or benefits) are met by the following products or stores?  (a) Carnation Instant Breakfast, (b) Adidas running shoes, (c) Hertz Rent-A-Car, and (d) television shopping programs.  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit1/unit1_questions/unit1_ch1q1_answers.html) 2. Each of the four products or stores in Question 1 have substitutes.  Respective examples are (a) ham and egg breakfast, (b) regular tennis shoes, (c) taking a bus, and (d) a department store.  What consumer benefits might these substitutes have in each case that some consumers might value more highly than those products mentioned in question 1?   [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit1/unit1_questions/unit1_ch1q2_answer.html) 3. What are the characteristics (for example, age, income, education) of the target market customers for the following products or services:  (a) *National Geographic* magazine, (b) *Wired* magazine (c) Blue Jays baseball team, and (d) the Canadian Open tennis tournament?   [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit1/unit1_questions/unit1_ch1q3_answer.html) 4. A university in a metropolitan area wishes to increase its evening-school offering of business-related courses such as marketing, accounting, finance, and management.  Who are the target market customers (students) for these courses?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit1/unit1_questions/unit1_ch1q4_answer.html) 5. What actions on the four marketing mix elements might be used to reach the target market in Question 4?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit1/unit1_questions/unit1_ch1q5_answer.html) 6. What environmental factors (uncontrollable variables) must the college in Question 4 consider in designing its marketing program?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit1/unit1_questions/unit1_ch1q6_answer.html) 7. Polaroid introduced instant still photography that proved to be a tremendous success.  Yet Polavision, its instant movie system, was a total disaster.  (a) What wants and benefits does each provide to users?  (b) Which of these do you think contributed to Polavision's failure?  (c) What research could have been undertaken that might have revealed Polavision's drawbacks?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit1/unit1_questions/unit1_ch1q7_answer.html) 8. Rollerblade, Inc is now trying to grow in-line skating -- and the company --globally, just as they succeeded doing in North America.  What are the advantages and disadvantages of trying to reach new global markets?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit1/unit1_questions/unit1_ch1q8_answer.html) 9. Does a firm have the right to "create wants" and try to persuade consumers to buy goods and services they didn't know about earlier?  What are examples of "good" and "bad" want creation? Who should decide what is "good" and "bad"?  [***Answer***](https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/unit1/unit1_questions/unit1_ch1q9_answer.html) |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    Unit 1 Text book Quiz

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| **Unit 1 Text Book Quizzes** |
| |  |  | | --- | --- | |  | Try these Quizzes to test your knowledge of Unit 1 - Chapter 1 of the Book  McGraw-Hill Site  [Unit 1 Quiz 1 Link](http://highered.mcgraw-hill.com/sites/0070898332/student_view0/chapter1/multiple_choice_quiz.html)  [Unit 1 Quiz 2 Link](http://highered.mcgraw-hill.com/sites/0070898332/student_view0/chapter1/multiple_choice_quiz_2.html)  [Unit 1 Quiz 3 Link](http://highered.mcgraw-hill.com/sites/0070898332/student_view0/chapter1/multiple_choice_quiz_3.html) | |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    Unit 1 Concept Check and Internet Exercises

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| **Unit 1 Concept Check and Internet Exercises** |
| |  |  | | --- | --- | | https://d2l.cna.nl.ca/content/On_Campus_Course_Support/MR1100_On_Campus_PT_CL/images/practice.gif | Unit 1 - Chapter 1 of the Book - Concept Check and Internet Exercises  McGraw-Hill Site  [Concept Checks](http://highered.mcgraw-hill.com/sites/0070898332/student_view0/chapter1/concept_checks.html)  [Internet Exercises](http://highered.mcgraw-hill.com/sites/0070898332/student_view0/chapter1/internet_exercises.html) | |

MR1100 Marketing I - PT (CL) - Unit 1.  Appreciation for Marketing -    Unit 1 Video Case

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| **Unit 1 Video Case** |
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